

**Before the
Public Service Commission of South Carolina
Docket No. 2016-4-G**

**Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies
of
Piedmont Natural Gas Company, Inc.**

**Supplemental Testimony and Exhibits
of
Michelle R. Mendoza**

**On Behalf Of
Piedmont Natural Gas Company, Inc.**



June 23, 2016

1 **Q. Ms. Mendoza, please state your name, business address and occupation.**

2 A. My name is Michelle R. Mendoza. My business address is 4720 Piedmont
3 Row Drive, Charlotte, North Carolina. I am the Director, Pipeline Services
4 for Piedmont Natural Gas Company, Inc., ("Piedmont").

5 **Q. Are you the same Michelle R. Mendoza who prefiled testimony in this**
6 **docket on June 2, 2016?**

7 A. Yes, I am.

8 **Q. What is the purpose of your supplemental testimony in this proceeding?**

9 A. The purpose of my Supplemental Testimony is to advise the Commission of
10 several revisions to data provided in my direct testimony in this proceeding.

11 **Q. Can you explain what revisions you are referring to and what impact**
12 **they have on your prior testimony and exhibits?**

13 A. Yes. The first revision is the addition of a new large volume firm sales
14 customer who will begin service with Piedmont in September 2016. This
15 customer's demand (including the 5% reserve margin) is 504
16 dekatherms/day which increases the projected going-forward demand on
17 Piedmont's system by this amount. The second revision is an adjustment
18 for East Tennessee pipeline capacity to factor in fuel charges and to separate
19 our two East Tennessee contracts into 365 day service and 151 day service
20 in order to accurately reflect the manner in which we receive service from
21 this pipeline. The third revision is an adjustment in our annual growth
22 projections to correct an incorrect starting number for those projections.

1 **Q. Do any of these revisions have a material impact on Piedmont's**
2 **projected demand going forward?**

3 A. No. These revisions result in minor changes to demand deficit and surplus
4 calculations for Piedmont's Fiscal Years 2017 through 2020 as follows:

5 2017 From surplus of 24,650 dts to surplus of 23,724 dts

6 2018 From deficit of (16,128) dts to deficit of (24,246) dts

7 2019 From surplus of 118,784 dts to surplus of 110,542 dts

8 2020 From surplus of 93,294 dts to surplus of 84,928 dts

9 **Q. Where are these revisions reflected in your testimony?**

10 A. They are reflected in Exhibits MRM-2, MRM-6A and MRM-6B. I have
11 attached revised versions of these exhibits to this testimony to accurately
12 reflect these changes to the original versions of these exhibits filed with my
13 direct testimony.

14 **Q. Have you discussed these revisions with ORS?**

15 A. Yes. These changes to my exhibits have been identified and discussed with
16 ORS and it is my understanding that they have no issues with these changes.

17 **Q. Does this conclude your supplemental testimony?**

18 A. Yes it does.

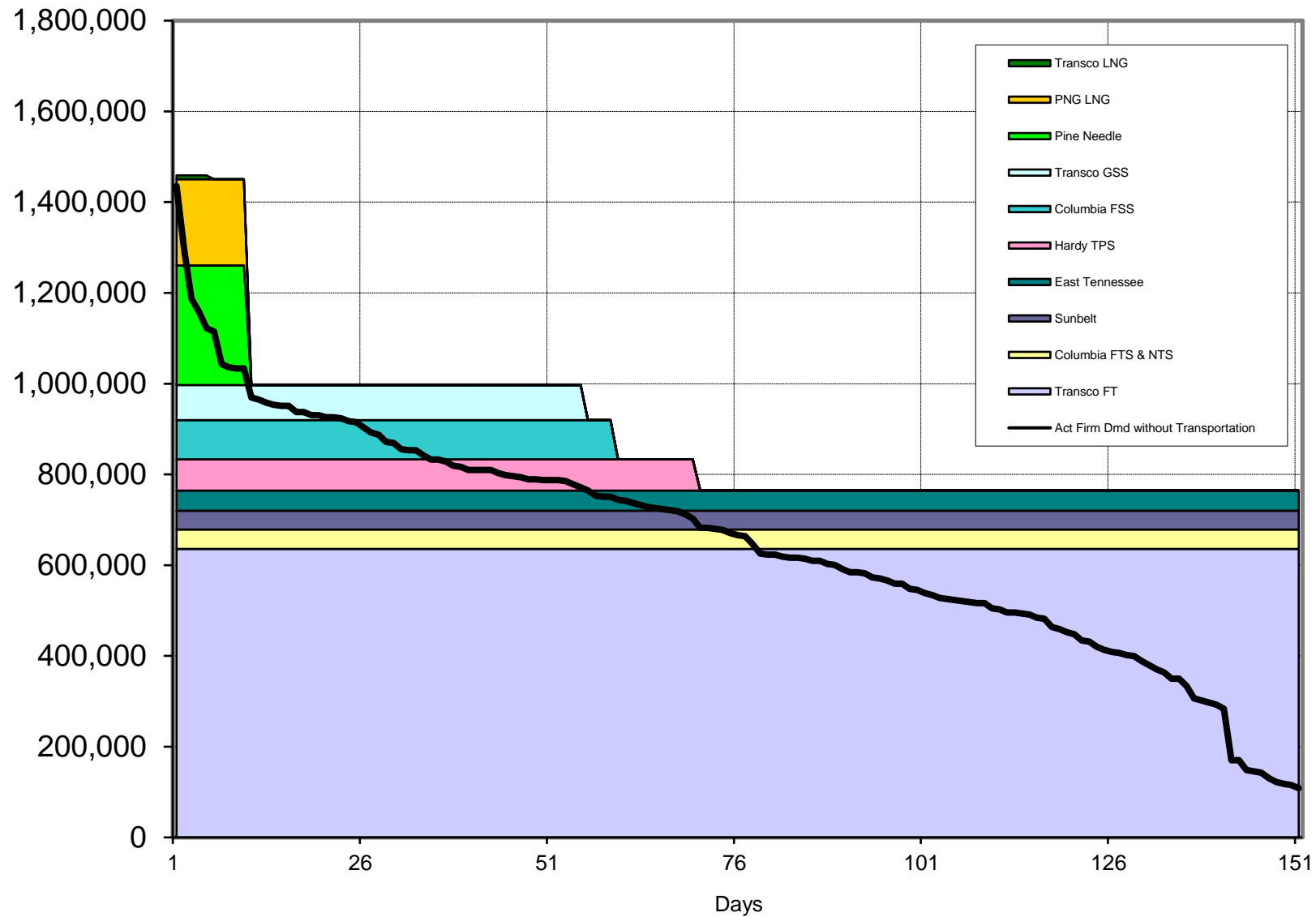
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Annual Review
2016-4-G

Revised Exhibit__(MRM-2)

FY2017

Load Duration Curve (Revised 6-15-2016)

Design Winter - Total Carolinas



Piedmont Natural Gas Company, Inc.
Annual Review
2016-4-G

Revised Exhibit__(MRM-6A)

FY 2017 Design Day Start Point

Edited: June 15, 2016

Design Day Forecast 2016 - 2017

Total Carolinas

Baseload - Firm Sales & Firm Transport

162,995

Design Day Temperature

8.66

8.66

Temperature Wtd Avg across Carolinas weather stations.
Jan 21, 1985 w. 2015 weather station weights

Design Day DDD

56.3

56.3

Heating Degree Days *confirmed 04-21-2016*

Difference between Actual and Design Day (DDD)

n/a

Estimated increase in FirmSls & Trans Usage per degree day

22,785

Total Firm Sls & Tran usage for total 56.4 HDDs

1,446,679

TOTAL NEW FIRM SALES PICKED UP MID YEAR

7,676

confirmed w MAS on May 6, 2016

TOTAL FIRM SALES MOVED TO TRANSPORT MID YEAR

(462)

confirmed w MAS on May 6, 2016

TOTAL NET NUMBER - FIRM SALES PICKED UP

7,214

Firm Sales Contract Commitment - GE

333

confirmed Middleton on April 21, 2016

Firm Sales Contract Commitment - City of Wilson

3,900

confirmed Middleton on April 21, 2016

Firm Sales Contract Commitment - City of Rocky Mount

3,000

confirmed Middleton on April 21, 2016

Total Firm Sales Contract Commitment

7,233

Prior Winter Firm Transport (Total FT DTs consumed on highest winter day)

-122,823

confirmed Knight April 20, 2016

Date of occurrence

February 10, 2016 NC

confirmed Knight April 20, 2016

Date of occurrence

February 10, 2016 SC

confirmed Knight April 20, 2016

Piedmont Natural Gas Company, Inc.
Annual Review
2016-4-G

Revised Exhibit__(MRM-6B)

Carolinas Design Day Demand & Supply Schedule - FY 2017

Design Day Temperature of 8.66 Degrees (56.3 HDDs)

FINAL Rev1: June 15, 2016

(All Values in Dt/d)				Actual		1.37%		1.60%		1.60%		1.60%	
DEMAND				Winter Period:		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		
1	System Design Day Firm Sendout					1,469,826	1,469,826	1,500,673	1,524,684	1,549,079	1,573,864		
2	Mid Year Firm Sales Pick Up					7,196	7,676						
3	Mid Year Firm Sales Deduct (move to Firm Transport)					(462)	(462)						
4	Subtotal Sendout plus Mid Year Pickup					1,476,561	1,477,041	1,500,673	1,524,684	1,549,079	1,573,864		
5	Special Contract Firm Sales Commitment					7,233	7,233	7,233	7,233	7,233	7,233		
6	Total Firm Design Day Demand					1,483,794	1,484,274	1,507,906	1,531,917	1,556,312	1,581,097		
7	Reserve Margin on Design Day Demand (5%)					74,190	74,214	75,395	76,596	77,816	79,055		
8	Subtotal Demand					1,557,983	1,558,487	1,583,301	1,608,513	1,634,127	1,660,152		
9	Less:												
10	Firm Transportation Without Standby					(122,823)	(123,156)	(100,000)	(100,000)	(100,000)	(100,000)		
11	Total Firm Sales Demand					1,435,160	1,435,331	1,483,301	1,508,513	1,534,127	1,560,152		
12	SUPPLY CAPACITY												
13	Firm Transportation			Days									
14	Transco	FT	365			376,016	301,016	301,016	301,016	301,016	301,016		
15	Transco	FT - 1002268	365			6,440	6,440	6,440	6,440	6,440	6,440		
16	Transco	FT SE '94/95/96	365			129,485	129,485	129,485	129,485	129,485	129,485		
17	Transco	Sunbelt	365			41,400	41,400	41,400	41,400	41,400	41,400		
18	Transco	VA Southside (New)	365			20,000	20,000	20,000	20,000	20,000	20,000		
19	Transco	Leidy (New)	365			100,000	100,000	100,000	100,000	100,000	100,000		
20	Columbia Gas	FTS	365			32,801	32,801	32,801	32,801	32,801	32,801		
21	Columbia Gas	NTS	365			10,000	10,000	10,000	10,000	10,000	10,000		
22	East TN (MGT Upstream)	FT	365			20,000	19,578	19,578	19,578	19,578	19,578		
23	Atlantic Coast Pipeline *	FT	365						160,000	160,000	160,000		
24	Total Year Round FT					736,142	660,720	660,720	820,720	820,720	820,720		
25													
26	Transco	FT Southern Expansion	151			72,502	72,502	72,502	72,502	72,502	72,502		
27	East TN (TETCO Upstream)	FT	151	1		24,798	24,798	24,798	24,798	24,798	24,798		
28	Transco	FT - 1004995	90			6,314	6,314	6,314	6,314	6,314	6,314		
29	Total Winter Only FT					103,614	103,614	103,614	103,614	103,614	103,614		
30													
31	Total Firm Transportation Subtotal					839,756	764,334	764,334	924,334	924,334	924,334		
32													
33	Hardy Storage	HSS	70			68,835	68,835	68,835	68,835	68,835	68,835		
34	Dominion	GSS	60			0	0	0	0	0	0		
35	Columbia Gas	FSS/SST	59			86,368	86,368	86,368	86,368	86,368	86,368		
36	Transco	GSS Storage	55			77,475	77,475	77,475	77,475	77,475	77,475		
37													
38	Total Seasonal Storage					232,678	232,678	232,678	232,678	232,678	232,678		
39													
40	Peaking Capacity												
41	Piedmont	LNG - Huntersville	10			100,000	100,000	100,000	100,000	100,000	100,000		
42	Piedmont	LNG - Bentonville	10			90,000	90,000	90,000	90,000	90,000	90,000		
43	Transco	Pine Needle	10			263,400	263,400	263,400	263,400	263,400	263,400		
44	Transco	LNG (formerly LG-A)	5			8,643	8,643	8,643	8,643	8,643	8,643		
45	Peaking Supplies Total					462,043	462,043	462,043	462,043	462,043	462,043		
46													
47	Total Capacity					1,534,477	1,459,055	1,459,055	1,619,055	1,619,055	1,619,055		
48	Surplus(Deficit)					99,317	23,724	(24,246)	110,542	84,928	58,900		

* Atlantic Coast Pipeline scheduled to come on line in FY 2019 (Nov 2018)

Footnote 1) East TN capacity is 365 days, however the upstream TETCO capacity delivering to East TN is 151 days

Footnote 2) Beginning in FY2015, Dominion capacity removed as available capacity on design day due to non-firm backhaul from Transco Zone 6.

Footnote 3) Backs out additional 333 DTs for Firm transport for GE special contract

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached documents are being served this date via email and UPS Overnight (via email and U.P.S. Overnight) upon:

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And that a copy of the attached documents are being served this date via email upon:

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This the 23rd day of June 2016.

s/ James H. Jeffries IV
James H. Jeffries IV